(b) The energy consumption per ton of crude steel in developed countries generally ranges from 5-6 G.Cal/tcs.

(c) The Energy consumption contributes 30% to 33% in total cost of production of saleable steel taking coking coal as a part of energy.

(d) and (e) SAIL Corporate Plan envisages bringing down energy consumption to 7.9 G. Cal/tcs by 2001 7.4 G. Cal/tcs by 2005 respectively.

Modified Proposal of SAIL

4333. SHRI SURESH PACHOURI:
SHRI YERRA NARAYANA-SWAMY:

Will the Minister of STEEL be pleased to state:

(a) whether Steel Authority of India has sent a modified proposal to the Central Government for the restructuring of Rs. 3,900 crores equity base which has been hanging fire for over a year;

(b) if so, the details of the modified proposal;

(c) whether Government have approved the proposal and if so, the details thereof; and

(d) to what extent the steel production will be increased by this proposal?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) to (c) SAIL is in the process of working out various alternative possibilities of capital restructuring in consultation with the Central Government.

(d) the objectives of the proposal are to make the equity base comparable with its competitors and to raise resources at optimum cost to finance its various modernisation and technological upgradation schemes. In the proposal, increase in steel production has not been envisaged.

Cost of Mining Equipment

4334. SHRI GHUFRAN AZAM: Will the Minister of STEEL be pleased to state:

(a) whether any comparative study and unit cost of each mining equipment have been made by the National Mineral Development Corporation Limited in regard to purchase and procurement of Hydraulic Excavators supplied by Hyderabad Industries Limited and the item supplied earlaier by Bharat Earth Movers Limited;

(b) whether it is a fact that about 90% advance payment was released to the suppliers of Hyd.aulic Excavators 5.5 CU.M. without even receiving complete supplies and installation result;

(c) whether the units/equipment supplied by HIL/GMMCO have not been functioning well up to the mark;

(d) whether similar equipments had failed to achieve results in SAIL;

(e) whether Government have not instituted any enquiry into the purchase of the equipment at a price double or more than earlier supplies of BEML merely on the alleged increase of slightest capacity; and

(f) if so, the details and the reasons thereof?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) The National Mineral Development Corporation Limited (NMDC) has reported that as per the laid down procedure, comparative study of the equipment is made initially with respect to techno-commercial details. The price bids of technically suitable offers are opened and comparative study of the offers again made based on which procurement decisions are taken. This procedure has been followed for the Hydraulic Excavator also.

In the past, no such capacity equipment was supplied to NMDC by Bharat Earth Movers Limited.

(b) As per the terms and conditions of the contract, 10% advance is to be paid on submission of Bank Guarantee, 80% against receipt of despatch documents through the Bank and 10% after eraction and commissioning. In accordance with the terms of the contract, 90% payment was released after receipt of despatch documents.

(c) NMDC has stated that the equipment has been functioning satisfactorily.

(d) SAIL has reported that Hydraulic Excavators supplied by Hyderabad Industries Limited are being gainfully utilised in SAIL mines.

(e) and (f) NMDC has reported that it is strictly following the tendering system whereby offers are obtained from all possible sources of

supply and orders are finalised on the basis of a techno-economic evaluation on a competitive basis and after negotiating the price, wherever necessary. As such, there appears to be no cause for Government's intervention in the matter.

Privatisation of Mines under National Mineral Development Corporation

4335. SHRI GHUFRAN AZAM: Will the Miniser of STEEL be pleased to state:

(a) whether it is a fact that the All India N.M.D.C. Workers' Federation, Hyderabad, has unanimously adopted and passed a resolution on 26th July, 1994 or there about and submitted the same to Government in connection with the proposed privatisation of the mines under National Mineral Development Corporation Limited;

(b) whether Government have since considered the resolution and have communicated their decision to the Federation;

(c) whether the company has acted in the matter much against Government' wishes and decisions taken by the Board of the Corporation which tend towards benefits reaching to outsiders;

(d) if so, the details thereof; and

(e) what further action is being contempleted to be taken in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) Yes, Sir.

(b) to (e). The iron ore available at Bailadila Iron Ore Deposit 11-B already leased to NMDC is reportedly best suited for production of sponge iron in gas- based plants. It is proposed to take up development of deposit 11-B as a joint venture with one of the private sector entrepreneurs who are operating or setting up a gas-based sponge iron plant in the country and who already have an assurance from NDMC to meet a substantial part of the plant's requirement of iron ore.

It is proposed to hold a meeting shortly with representatives of the concerned Unions to clarify various apsects of the proposal to them.

Moderanisation of Rourkela Steel Plant

4336. SHRI RAHASBIHARI BARIK: Will the Minister of STEEL be pleased to state:

(a) whether steps have been taken by Government for the modernisation of Rourkela Steel Plant;

(b) if so, the amount spent on the modernisation of that Steel Plant;

(c) whether any external assistance is being received for the modernisation of that plant; and

(d) if so, the details thereof?

THE MINISTER OF STATE TO THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) Yes, Sir. The Government approved the proposal of Steel Authority of India Limited (SAIL) for the Renovation and Technological Upgradation (Modernisation) of its Rourkela Steel Plant (RSP) in October, 1989 at an estimated cost of Rs. 2461 crores which was revised ot Rs. 3954 crores on 12.5.1992. This modernisation project is presently under implementation.

(b) The total amount spent by SAIL for this modernisation till July, 1994 was Rs. 1291.31 crores.

(c) Yes, Sir.

(d) The details of external assistance towards part financing of this modernisation project are indicated below:—

(in million)

(i)	German mixed Credit from Kreditanstalt fure Wiederaifbau (KFW)	DM 287.13
(ii)	French Protocal Credit from French lending institutions	F.Fr. 68.43
(iii)	Supplier's credit from Tiazhpromexport of Russia	US $ 23.89

Setting up of a Pig Iron Plant in Madhya Pradesh

4337. SHRI SURESH PACHOURI: Will the Minister of STEEL be pleased to state:

(a) whether the State Government of Madhya Pradesh has made an agreement with Neco Group of industries to set up a pig iron plant at Siltara in Raipur District;

(b) if so, what is the total amount required to set up the plant;

(c) what would be the annual production of the plant; and

(d) the number of people of the area likely to be provided employment in the plant?